

USAID Economic Growth Officers' Training Program



Doha Development Agenda

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The Road to Doha: Developing country concerns

- Market access
 - Tariff rates are still a barrier
 - Agriculture quotas are gone, but barriers remain
 - Textile liberalization is back-loaded
 - Inadequate implementation of Special & Differential treatment for LDCs
 - No credit for unilateral liberalization
- Procedures
 - Increased use of antidumping; TRIPs
 - Substantial resources to participate



The Road to Doha: Developing country concerns

- High tariff rates and tariff rate quotas remain

- Bound tariff rate is 32% (5 times as high as for manufactures)

- Continued use of export subsidies (\$13 billion annually)

- Tariff peaks on labor-intensive industrial products and agriculture

- 11% of LDC export to Quad countries subject to peaks

- Tariff escalation, depressing upgrading of processing

Differential treatment for LDCs

- Uneven treatment of S&D provision among various Agreements

- Market Access and Technical Assistance provisions are non-binding

- 49% of textiles & clothing are under quotas until 2004
- At end 1999, US had removed 13 out of 750 quota lines, and the EU 14 out of 219
- Duties on textiles will remain high after MFA quotas phase out; NTBs can still be used

The Road to Doha—Areas of division

- Main areas of conflict
 1. ***Implementation*** of past commitments/
differing perceptions over ***balance of benefits***
 2. ***Participation*** of developing countries in
decision making
 3. Content of ***agenda***

Issue—Implementation and balance of benefits

- Developed countries complained that
 - Developing countries did not live up to their commitments (TRIPs, TRIMs, Customs Valuation)
- Developing countries complained that
 - They did not have capacity to implement past commitments (SPS/TBT, Rules of Origin, TRIPs, Customs Valuation)
 - Developed countries failed to live up to their commitments (TCB, Textiles)
 - They had not achieved tangible benefits from the Uruguay Round; wanted new round delayed until UR fully implemented.

Issue—Participation in WTO decisions

- DCs cannot participate meaningfully in the consensus-based WTO because they
 - Lack officials who have adequate analytical, advocacy, coalition building, negotiating skills and/or sufficient staff to cover all bases
- DCs point to need for more TCB to
 - Develop basic commercial diplomacy skills
 - Enhance their capacity to participate effectively in the WTO
- DCs also asked for more transparency, help in understanding consensus-building process



Doha Ministerial Declaration

- Adopted on 14 November 2001
- Adopted by all WTO Members
- “Broad and Balanced” Work Programme launched
 - 21 subjects listed in the Declaration
 - Reporting mechanism—to the Fifth Ministerial Conference

Main elements of the Doha Declaration

- Preamble
- Main Elements of Work Programme
 - Implementation
 - Negotiations on
 - Built-in agenda (Agriculture and Services)
 - Market access
 - WTO rules
 - Singapore Issues
 - Other issues (e-commerce, environment, debt and finance, transfer of technology, etc.)
 - Huge development dimension



WTO negotiations—The framework

- Single undertaking—nothing is agreed until everything is agreed
- Participants—all WTO members and observers
- Increased transparency—both within WTO and with the public
- S&D—negotiations should fully take into account
- Technical cooperation and capacity building –integral part of negotiations



Services

- January 2000—negotiations began per built-in agenda
- March 2001—negotiating guidelines and procedures established
- Doha reaffirmed work to date and established key elements of timetable
- Services are non-controversial, agreed even in Seattle
- Part of single undertaking

Timetable

- 30 June 2002—market access requests due
- 30 March 2003—market access offers due
- September 2003—stocktaking at 5th WTO Ministerial
- 1 January 2005—negotiations conclude

Agriculture

- January 2000—negotiations began as part of built-in agenda
- Doha reaffirmed goal of fundamental reform aimed at
 - Market access—substantial improvements
 - Export subsidies—substantial reductions, with a view to phasing out
 - Domestic support—substantial reductions for support that distorts trade
- Part of single undertaking

Timetable

- 31 March 2003—modalities for the negotiations
- September 2003—submission of draft commitments and stocktaking
- 1 January 2005—negotiations conclude

Market access (industrial goods)

- Aim to reduce or eliminate tariffs, including tariff peaks, escalation, and NTBs
- S&D elements
 - Market access to emphasize products of export interest to DCs
 - Full consideration of special needs and interest of DCs/LDCs: through less than full reciprocity in reduction commitments
 - Capacity-building to assist LDCs' effective participation
- Timetable
 - January 2002—commencement of negotiations
 - 1 January 2005—completion of negotiations



No timeframe for modalities (e.g. across-the-board cuts or request/offer by product)

TRIPS—Public health and more

- Identifies parallel imports as requiring further negotiation
- Calls for “expeditious” solution to lack of capacity in developing countries to effectively utilize compulsory licensing provisions (e.g., Anti-AIDS drugs)
- Agreed LDCs will not have to implement provisions related to patents and protection of undisclosed information to 1 January 2016 (vs. 2005)
- Full consideration of development dimension



Review of WTO Dispute Settlement Understanding

- Built-in agenda mandated review of DSU by January 1999—not completed because of lack of consensus
- One aim is to clarify rules on retaliation
- Doha mandate—negotiations with the aim of concluding an agreement
- Separate from single undertaking

Timetable

- January 2002—start of negotiations
- March 2003—deadline of concluding an agreement

WTO rules—AD/Subsidies and regional trade agreements

- AD and Subsidies Agreements
 - Agreed to negotiations “aimed at clarifying and improving” disciplines in AD and Subsidies Agreements
 - Fisheries subsidies identified as an area for negotiation
 - Two phases
 - January 2002-September 2003—indication of provisions in the agreements that need clarifying and improvement
 - September 2003-January 2005—clarification and improvement of these provisions
- Regional Trading Agreements
 - Clarify rules, taking into account development aspects of RTAs



“Singapore” Issues

- Investment—working group
 - Transparency
 - Non-discrimination
 - Modalities for pre-establishment commitments
- Competition policy—working group
 - Core principles
- Government procurement—working group
 - Transparency
- Trade facilitation—Committee on Trade Development
 - Customs clearance and documentation, etc.
- Requirement for adequate technical assistance and capacity building in the four issues

Fifth Ministerial Conference, Cancun, Mexico, September 2003

- Stocktaking/ mid-term review of negotiations and trade rules
- Launch of negotiations on Singapore issues: investment, competition policy, government procurement, and trade facilitation
 - “On the basis of a decision to be taken, by explicit consensus, at that session on modalities of negotiations”
 - By 1 January 2005, part of single undertaking



Special and differential (S&D) treatment

- Reaffirmation of S&D as an integral part of the WTO agreements
- Mandate: The Committee on Trade and Development to identify S&D provisions that are mandatory and to consider the implications of making mandatory those that are currently non-binding

Deadline for recommendations for the General Council

- July 2002—original deadline
- 31 December 2002—extended deadline

Technical cooperation and trade-capacity building

- Core elements of the development dimension
- Commitments for technical assistance in MA, Singapore issues, and six other issues
- Technical assistance on
 - Trade mainstreaming
 - Adjustment to WTO rules and disciplines
 - Implementation of rights and obligations
- Effective coordination with bilateral donors and relevant international and regional agencies
- Secure and predictable funding
 - WTO Doha Development Agenda Global Trust Fund

Doha Development Agenda

- Why the “development agenda?”
 - Calls for elimination of tariffs on imports from least developed countries
 - Commits WTO to expand technical cooperation and capacity building in support of developing countries’ efforts to strengthen their human and institutional capacity in trade
 - Analysis of problems faced by small economies
 - Calls for review of S&D provisions
 - Commitments for technical assistance

Timetable for Doha Round

